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JANUARY 1989

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. . . The New Tool for Buyers and Sellers of Printing Papers

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Editor & Publisher
William H. Frohlich

Staff Writers
James S. Forberg
Ira B. Newman

Contributing Editors
John J. Buckley
George Cain
Bruce H. Linden

Editorial Assistants
Elizabeth Castaneda
Mary Jo Heidepriem
Geraldine Hislop
F. Berneice Underwood

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David G. Farber

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SPECIAL REPORT

Perceptions Count! Customer Service From the Printers' Point of View

What is it about some companies that makes you want to do business with them? What is it that distinguishes top-notch organizations from the rest of the pack? Is it their advertising and promotional materials, their attractive buildings and facilities...or their people and their attitudes toward you? Is it their promises...or their ability to deliver on those promises? by Denis F. Healy

We all know the answers to these questions...and so, too, does every one of our customers, young and old! The best outfits are those in tune with customer needs. They place the customer—rather than themselves—in the driver's seat. They develop a style and customer service approach on which we can depend, and in which people throughout the organization can take pride. They are committed to excellence and to delivering real value to the customer.

Does Anyone Care?

Faced with the daily hassle of making a living, raising a family and dealing with others, we frequently ask ourselves, "Why be bothered? Why not go with the flow? Let others do their own thing and accept whatever is doled out." Many have given in...or is it given up? They have accepted the norm, whatever that is. They have let others set the standards and as a result they sanction mediocrity.

Over the years, we are inclined to take things for granted. Our jobs, our friends and colleagues, our possessions and health, and our business relationships. We become blasé until a crisis is reached. Today, we are experiencing a service crisis.

It may be too late for some companies to do much about their service approach. In an era where many make public pronouncements about excellence, quality and service, in private they are behaving in the same old arrogant, "Why bother" way. These outfits have neglected the most basic principles of good business: serving the customer and being innovative.

Forget the customer, full speed ahead. The trouble is, the customer doesn't forget. Today, more than any other time in memory, customers are not accepting mediocre products or services. They fight back by taking their business elsewhere and by becoming vocal advocates for change and responsiveness.

The "Why Bother" Attitude—Toward Self Destruction

The "Why bother?" attitude is aimed not at products or companies, but, at its core, is directed at other people. It is a statement of our interest and concern for others and for the preservation of relationships. The answer to the question, "Why bother?" is simply this: those who care enough to renew and refresh their relationships inevitably will find ways to strengthen bonds, simplify communications and improve the quality of service they provide each other. Those who bother, realize that what happens in a relationship is in direct measure to what they put into it.

By the way, it's not just what the people on the firing line do that is the cause of the problem. Far from it! Their actions and attitudes are merely a reflection of top management's style and approach. If the leadership says, "Why bother?," then isn't it only reasonable to expect that sooner or later the entire organization will reflect the same view?

Nothing should be taken for granted in business, especially the customer. The quality of customer relationships must be managed and improved continuously. The level of customer service that a paper merchant renders is what the customer sees and remembers the most. These perceptions shape the entire relationship between the printer and the paper merchant.

From a marketing point of view, any organization is a service organization. Obviously, customers are attracted initially to various paper merchants by the product lines and services that are offered, and the geographic proximity of the company to the customer's place of business. However, it takes very little time for the emphasis to shift from product and location to assessments of the level of customer service offered.

More than one paper merchant has achieved and maintained a profitable relationship with customers as a result of differentiating itself on customer service capabilities. Many of these capabilities are not directly related to the product lines that are offered, but, rather, they are related to the ability of the company to live up to its commitments and to make it easy for the customer to do business with the company.

A great deal can be learned about customer service by evaluating the approach that is taken by fast food organizations such as the McDonald's Corporation, or by evaluating the skills and training exhibited by people in other service facilities such as hotels and airlines—the Marriott chain and Delta being good examples. By the way, you needn't look too far from home. There are numerous examples, some shining and others rusting, of service capabilities within the paper industry. It pays to seek them out and to learn from them.

This article focuses on the matter of assessment of the customer service capabilities of printing paper merchants from the customer's point of view. We report on the results of a major study of printers' evaluations of paper merchants, the *National Study of Printers' Perceptions*. As you review the findings from the Perceptions Study, we challenge you to look carefully at various aspects of your service approach to the customer and to make improvements where required.

Once Again—Back to Basics

For all the pontifications of the management gurus, good business practice is founded on the embarrassingly simple proposition that we should put our customer first. Satisfying the customer is the vehicle through which we are able to realize our own goals.

The customer is king! We do it your way! Serve the customer—not yourself! These are the bedrock slogans that have fueled the most effective marketing campaigns and the leading organizations of our time.

The key is to put ourselves in the shoes of the customer and to deduce what we must do to provide them with the most satisfying products, services and experiences we can. Admittedly, not an easy task, but clearly an essential one. The essence of good marketing is found in the creation, nurturing and sustenance of relationships with individuals in the marketplace.

Times are changing rapidly. And with these changes comes the need to re-examine the familiar and comfortable, to look for new ways and to make things better. For some, such introspection comes only at times of crisis. For others, the process is refreshing, opening new avenues and approaches.

As you think about the future of your business, bear in mind that inexorable and consequential changes are occurring in the markets you serve as well as within your organizations. Some of these shifts will challenge your abilities, while others may open new avenues of opportunity. Your ability to anticipate and respond effectively to these changes is what distinguishes you as a leader or marks you as an "also ran."

The Service Obligation

In many ways, you, the paper merchant, are purely and simply a customer service organization. Customers select and maintain relationships with you based on your ability to consistently render—at an economically reasonable level—customer service capabilities. When the customer service capability of the company begins to diminish, the cost of delivering the service increases beyond acceptable levels and other companies become more attractive.

Those who neglect or misunderstand their service obligations are likely to find themselves replaced by others who recognize these obligations and live up to them fully. The results of the National Printers' Perceptions study reported here reinforce the validity of this observation.

Perspective on Customer Service

Perhaps the two most important questions that you should ask are: "What do our customers expect from us in the form of service?," and "How do we rate along these dimensions?" As with other elements of your marketing approach, the first step is to assess the objectives that you wish to obtain and the current situation that surrounds your customer service activities.

A simple guiding principle for customer service is that everything that you do should be clearly understood and valued by your customers and prospects. If the customer does not place value on the customer service capabilities you offer, then there is little reason to offer such services. It's much better to concentrate on the service areas that your accounts tell you are important to them. In addition, it is important that at least some of the targeted services you stress be capable of differentiating you from competitors.

Only when you can offer something different which has value in the eyes of the customer, can you be adequately compensated or sustain a long term relationship with the customer.

Service Encounters of the Right Kind

In today's demanding markets, a fundamental principle is that every organization—from police department to hospital to printing paper merchant—is a service organization. We all earn our living by rendering services to others. If the quality and consistency of the service we give is high, everyone benefits. If the service levels are not that great, then sooner or later someone becomes disappointed, dissatisfied, disgruntled, or sometimes damned upset!

Although we all talk about service or services as if they were a single aspect of our businesses, there are many dimensions to a service offering. Services include all of the resources and actions that you bring to the relationship with a customer. To have value, these services must in some way make it easier for the customer to solve his problems.

The sole justification for your existence as a business lies in how successfully you assist your customers in solving their problems—by providing product selection, design advice, technical and marketing information, access to product and credit, to name just a few. These are service encounters of the right kind!

You have come to use the term "value added" to summarize the effect of these investments and efforts on the customer. But in many ways, value added is not for you to appraise; it is the recipient of the services, the customer, who is the final judge of this.

The Dimensions of Customer Service

So what are the dimensions of customer service that paper merchants should be looking at? Broadly speaking, customer service is the entire business when viewed from the eyes of the customer. Your presence, your appearance, the consistency and sensitivity with which you respond to customer requirements, are all dimensions of the customer service offering. There is nothing else that is visible except the physical products that you ship to the customer and the paperwork that moves between the customer's location and your place of business.

There are three major dimensions of your customer service offering. First, there are those activities and services you perform in *getting* the order. Next are services related to the *processing* of the order through your distribution/administration center, branch locations and ultimately getting the order physically to the customer's location. Third are those activities associated with *following up* on the order.

Obviously, if you are ineffective in the first dimension (in getting orders), you will never have an opportunity to demonstrate your ability to process and follow up effectively. Similarly, if there is a deficiency in either of the other two dimensions (the processing or follow up activities), printers will remember these deficiencies and will either increase the demands placed on you during the first phase, or look elsewhere for better service.

The overall customer service approach you take must incorporate service decisions in each of these dimensions. Printers evaluate you and your offering in this light. Thus, to be effective, you must evaluate these yourself from their perspective. These *perceptions* dictate your desirability and market position as a supplier of printing papers. In the sections that follow, we will look at the results of the National Printers' Perceptions Study in order to assist you in assessing your current capabilities, and to help you improve your service offering.

The National Printers' Perceptions Study

To validate the importance of perceptions of service delivery, NPTA commissioned a study of printers across the country to determine their perceptions of paper merchants' services and to learn more about their expectations. The NPTA National Printers' Perceptions Study, conducted by Denis F. Healy & Associates, Inc., Portsmouth, NH, consisted of a two-page mail survey containing a variety of questions relating to the characteristics of the printer respondents, their expectations for the future, their relationship with paper merchants, the distribution of purchases by types of paper, and, most importantly, their ratings of the importance and performance level of a number of characteristics associated with customer service. A total of 9000 surveys were mailed—3000 each of a sampling of commercial printers, in-plant printers and quick printers. The response rate for these surveys approached 20% in each instance. This response level is considered excellent, considering the nature of the information requested and the national-—rather than local—character of the survey. Responses were compiled and analyzed using SPSS/PC+ software. In this article, we highlight the major findings from the study. The videotape of the presentation made by Denis Healy at the NPTA National Convention in September, 1988 is available through NPTA. The videotape goes into considerably greater detail on the findings than is possible in this article.

The responses were received from individuals in each type of printer segment who had significant levels of decision-making authority and responsibility for selection of a paper merchant. These can be seen in Figure 1. The total annual purchases of each type of printer varied widely, with commercial printers representing the highest value of purchase and quick printer respondents having the lowest level. The distribution of purchase volumes can be seen in Figure 2. Figure 3 shows the distribution of sources used by various types of printers. It can be seen that the paper merchant is viewed as the dominant source by all three influences, and that the only other major sourcing relationships are direct purchase (in the case of commercial printers) and paper stores (quick printers). These sources are utilized in the case of extremely large and extremely small purchases, respectively. The predominant type of paper purchase, as might be expected,

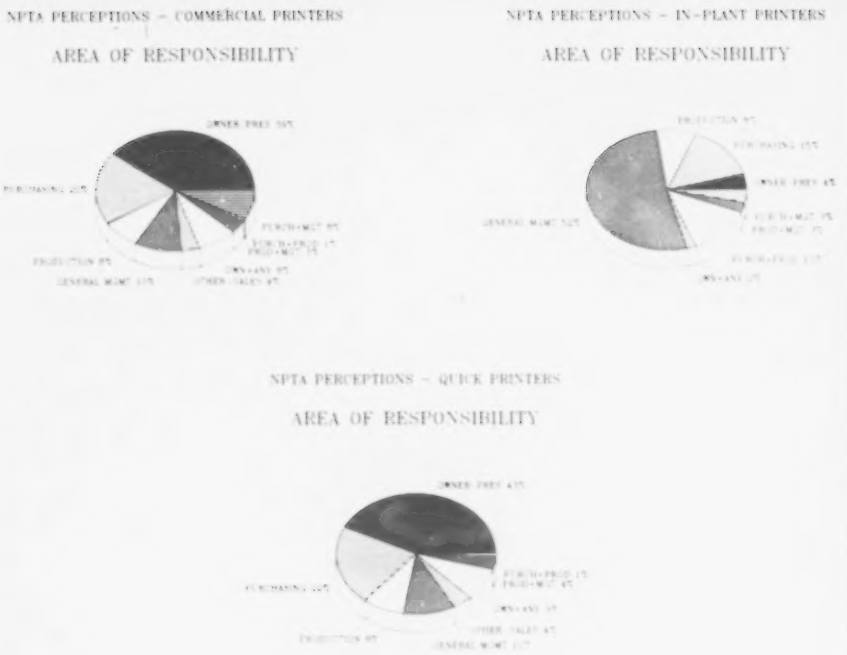

NPTA PERCEPTIONS – COMMERCIAL PRINTERS
AREA OF RESPONSIBILITY
NPTA PERCEPTIONS – IN-PLANT PRINTERS
AREA OF RESPONSIBILITY
NPTA PERCEPTIONS – QUICK PRINTERS
AREA OF RESPONSIBILITY

Figure 1

Figure 2

NPTA PERCEPTIONS – COMMERCIAL PRINTERS
TOTAL ANNUAL PURCHASES
NPTA PERCEPTIONS – IN-PLANT PRINTERS
TOTAL ANNUAL PURCHASES
NPTA PERCEPTIONS – QUICK PRINTERS
TOTAL ANNUAL PURCHASES

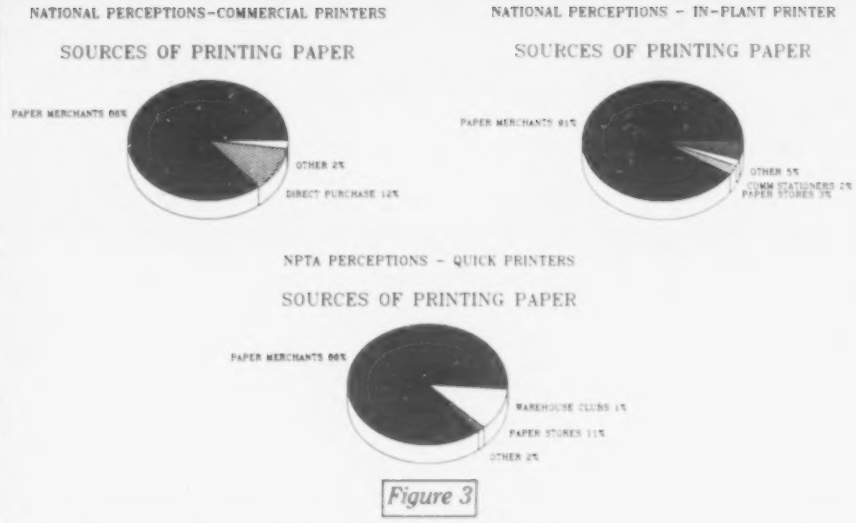
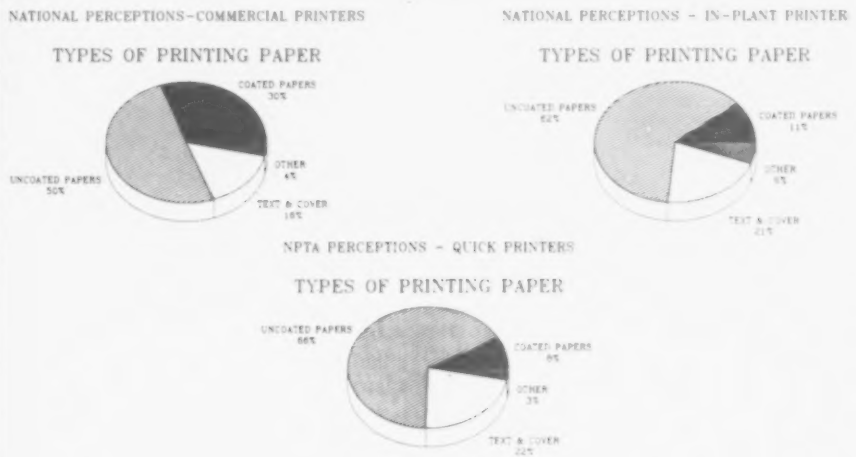


Figure 3



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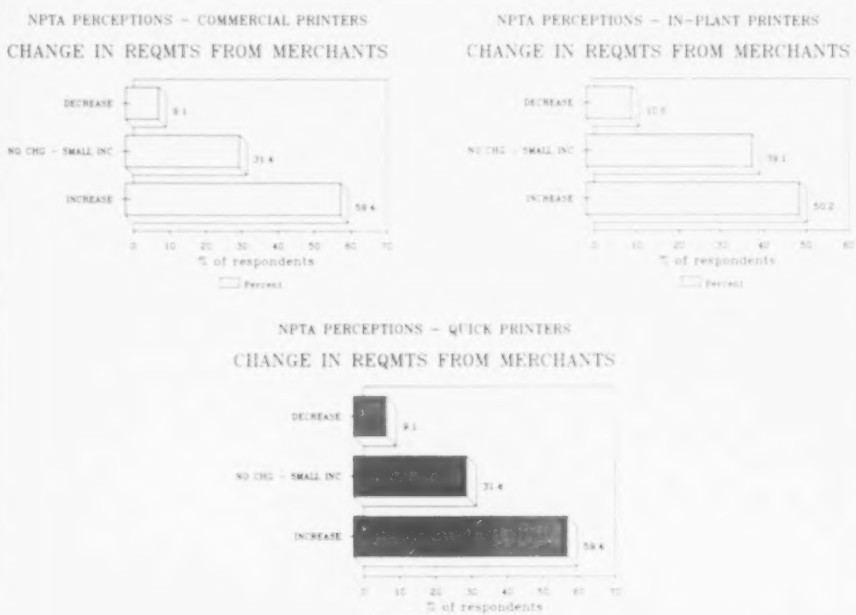

Figure 5

is uncoated papers. However, the commercial printer tends to purchase a wider mix of product than do the other two. At least 50% of all purchase volume goes into the uncoated category. Figure 4 presents a summary of these purchase patterns. Finally, in terms of basic background information, we present the results of the perceptions of printers regarding the types of changes they expect in their purchase requirements over the next two to three years. It can be seen in Figure 5 that all expect their dependence on paper merchants to increase by a substantial amount. There is no indication from the respondents that the importance of the paper merchant is going to diminish. However, as will be seen later, for merchants to be responsive to the changing and expanding needs of the printer community, they will have to become more focused and effective in the delivery of a variety of customer service capabilities.

Responses were received from printers of various sizes from throughout the country. As a result, it is possible to translate the data obtained from these samples into a national picture. As with any sampling process, it must be recognized that the responses obtained are suggestive of trends and interests among the members of each printing community. However, there are always statistical limitations on the interpretations of the results. In this case, the reader is advised to view the findings as suggestive of perceptions and concerns, rather than being exact pinpoint representations of the views of members of each printing community. In this regard, it should be noted that there were few (if any) differences in responses within each type of printer on a geographic basis. There are considerable differences, however, between commercial, in-plant and quick printers, and between printers of different sizes—both within and between types of printers. The main findings suggest that the major performance concerns and criteria of printers relate to the same fundamental issues that confront virtually every business—namely, delivery frequency and reliability, price levels, order fill/completeness, and some measure of product availability and customer service level. Other issues, such as returns and credits, field sales, location, technical assistance, phone access, and terms and credit, although of interest and concern, are not the deciding influences on printers' choices of paper merchants.

Getting the Order

This dimension of customer service relates to the capabilities that you project to potential customers and with the overall effectiveness with which you access customers in customer locations—both physically through the field sales force, as well as through various communications linkages, such as the telephone and computer system.

Specifically, the dimensions that the customer evaluates are:

Sales Force Effectiveness: The appearance and overall sensitivity and understanding exhibited by your inside and outside personnel is one of the first things that the customer evaluates. In many ways, the sales force *is your company* in the eyes of your customers and potential customers. The attention paid to assisting the customer, the knowledge that your personnel exhibits, the overall responsiveness to needs of customers, all figure heavily in your customer's evaluation of your ability to provide service.

Telecommunications Capabilities: The potential customer, as well as the established customer, pays a lot of attention to the ease with which they can access you and your facility. All too often, one of the most undernourished aspects of a company's overall service capability is the telephone system. A test of how well your voice communication system is working is easy to perform. All you need to do is try calling your place of business at different times. Note how many rings, how long it takes to get transferred or connected to inside sales...customer service...your own office!

Suffice it to say, promptness and the courtesy with which telephone calls are answered has a dramatic impact on how you are perceived by the customer. Long delays, repeated transfers from one individual to another, extensive rings before the phones are answered, and so forth—all are interpreted as indications of lack of service orientation or lack of facilities to properly handle customer requirements.

Physical Locations and Facilities: The appearance of your facilities, the availability of parking and loading space, the overall cleanliness and orderliness of your inventory, and your proximity to customer places of business figure heavily in the customer's evaluation of your service orientation. Even such seemingly unimportant factors as the appearance of trucks and personnel can shape the willingness of customers to consider placing an order with you.

Time Sensitive Services: Your quick response capabilities are one of the first things that many printers see. Many may have their initial contact with you in a situation where there is a need for a fill-in item or an item to handle an emergency. Your ability to be responsive under these circumstances obviously will have long-term effects on many of these individuals, some of whom may currently be using you as a second or third source. The manner in which the first impressions are made shapes heavily the long lasting *perceptions* formed of you and your capabilities. Speed, accuracy and care are the cornerstones of responsiveness.

Your Past Performance: The willingness of existing customers to place additional business with you is directly related to how well you served them in the past. Thus, every time a customer places an order, it is submitted with some recollection of how previous orders were handled. Every order you receive is a "vote of confidence" in your abilities and every order lost is a vote, too. Holding on to customers is about the most important challenge you face. It is far easier to hold onto an account than it is to resurrect one you have lost.

Your Reputation: For new customers, their willingness to do business with you is dependent on the items described above as well as the overall reputation that you enjoy. Your reputation is a result of how well or fully you have served accounts in the past. It is important to remember that customer perceptions are the result of accumulated experience over many transactions. Consistency and a caring attitude on your part provide the framework for the customer. Inconsistent behavior, errors and lack of attentiveness to the details can do a lot to damage relationships. The relationship is the most fragile part of the transaction. It must be done well, extraordinarily well, every time.

Criteria: The customer evaluates the various aspects associated with your ability to get an order by using many criteria. Some of these have been discussed above. They relate to the following types of issues:

The understanding that you exhibit of the requirements and situation of the customer; your reputation; the quality and breadth of the lines that are offered; The adequacy of your facilities and information handling systems. Then there is personnel. The characteristics of your personnel are evaluated early in the process—namely: courtesy, understanding of the customer's situation, product knowledge, appearance, and responsiveness to customer requests for information and assistance. These criteria are certainly not new or unique, but are extremely important ones that should concern you.

The human relations skills employed by all of your personnel have a major bearing on how you are perceived by customers, suppliers and the community-at-large. The concern that employees express over your customers' needs, the interest they have in the customer and in the business, the courtesy and the responsiveness they exhibit, are recognized and remembered by your customers. Where these relationships are well developed, you are distinguished from other companies as a responsible and concerned paper merchant.

The Importance of Being First

In the National Printers' Perceptions Study we found that the merchants with the highest performance ratings are also the ones who receive a larger share of a printer's business, on average. This is certainly only reasonable, since there should be a direct linkage between performance rating and share of business received, customer loyalty, or both. As has been demonstrated in numerous Perceptions studies in a variety of industries, the top source receives approximately 60-70% of the volume that is available. The second source receives 15-25%, and the other sources receive whatever is left. The importance of being first could not be demonstrated more vividly than the graphical representation of these relationships, as shown in Figure 6. Figure 7 shows a comparison of the performance ratings accorded each merchant when they are either the top or second source. It is notable that there are major differences in ratings in several important categories—particularly those mentioned previously as being of top importance, such as delivery, pricing, order fill and customer service. Clearly, these areas are to be stressed, as individual merchants evaluate their business and the perceptions of their customers relative to their service capabilities.

Processing the Order

Assuming that the customer evaluates you well in terms of your potential ability to handle his orders, it is likely that an order will be placed with your company.

The placement of an order triggers the launching of another series of service capabilities. In this dimension of the service activity, the customer evaluates the length of time it takes you to process the order and deliver it back to his location. There is also likely to be concern about the accuracy with which the order has been placed.

And most important, of course, is your ability to fill an order completely the first time around. This is paramount in this era of "just-in-time" everything. The true essence of competition is time-based competition.

The following components are important elements of the overall assessment made of your ability to process the order:

Policies and Paperwork: In some companies, once the order is mailed or phoned in by the customer it goes into a paperwork (or electronic) jungle. The smoothness with which you take in orders and convert them into a form that is understood by your accounting, operations, warehouse and delivery personnel, the better off you will be. This is a matter of adopting and following policies and procedures which have been thoroughly tested for efficiency and accuracy. Pay particular attention to order-entry capabilities, the billing system, and credits/returns procedures.

Look at your data processing capabilities, whether it be a manual system in which a great deal of paper is involved, or an electronic, computer-based system. Both can give you and your customer nightmares!

Remember that to operate effectively and efficiently, you must be able to identify the status of customer orders at every step along the way from order receipt to delivery to the customer. Attention should be given to the format and flow of paperwork, the telephone answering routines that are followed by your customer service people, and the ease that is associated with presenting and retrieving information from the system. The day is approaching rapidly when you customers will demand (and get) direct access to much of your information system. Are you ready for this?

Special Orders and Technical Assistance: From the customer's standpoint, the "acid test" of your service capability is your ability to respond to special and emergency situations. In a hospital, there are crack teams trained to render emergency services in such situations as heart failure or shock. This should be the case in your company, too!

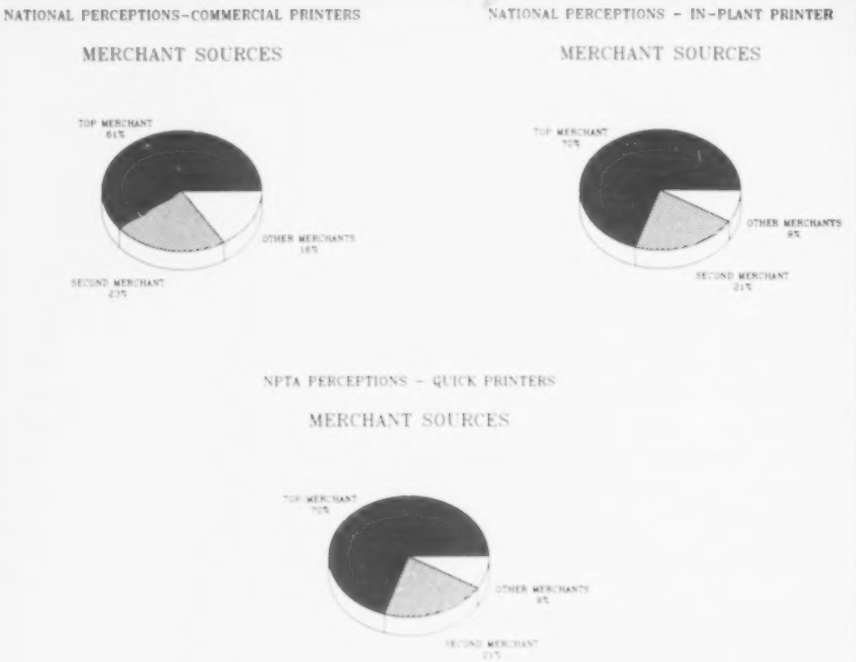

Figure 6

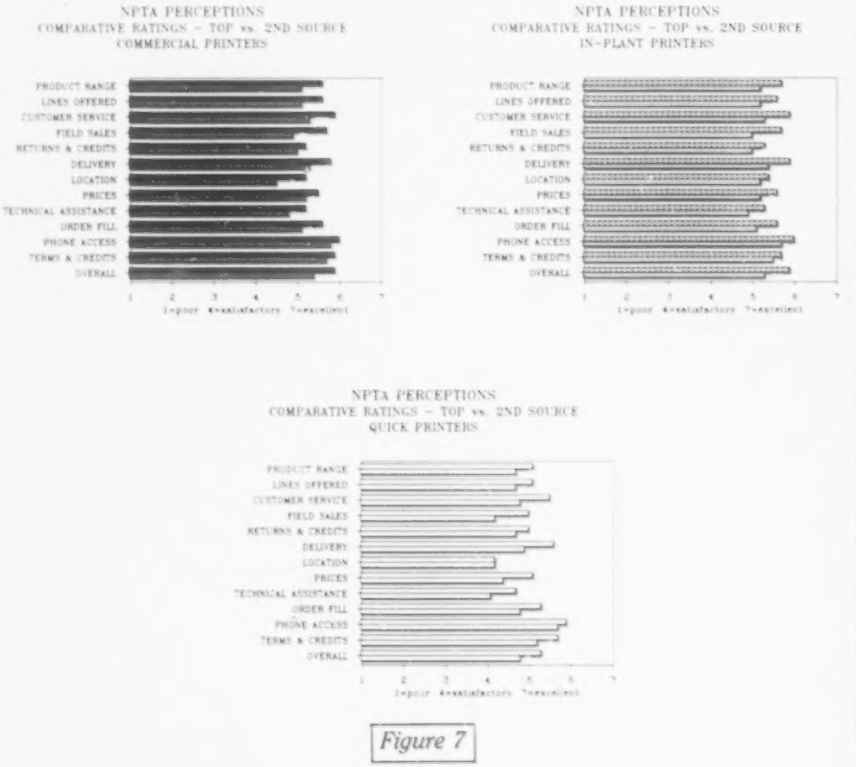

Figure 7

Your inside sales and customer service people should be trained to respond promptly and effectively to requests for emergency help. Procedures should be established for expediting and tracking needed material and information. Although it is impossible to think of all the possible emergencies and needs for assistance that could arise, it is prudent to evaluate the most common situations, and to develop written procedures and training programs for dealing with them.

Expediting and Back Order Handling: Just as your needs change periodically from what you expect them to be, so, too, is the case with your customers. It may be that priorities change and what once was an acceptable backorder condition converts to a high demand situation. Or the lead time that once existed for an order no longer can be tolerated by a customer. In these situations, as with the emergency orders and special orders, there is a need to pay particular attention to customer needs.

After all, these are the times that customers remember the most. If you "blow it" here, a lasting impression is made. Efforts should be made routinely to streamline expediting procedures and to provide expediters—inside sales and customer service people with the necessary tools and techniques to handle such conditions, without hassling or confusing the customer.

Delivery Reliability and Capabilities: The ultimate test of your capabilities is your ability to deliver the order in a reliable and timely fashion. Oh, yes!...with no surprises or backorders either.

Criteria: The criteria that customers employ in making these evaluations relate to such matters as speed of order completion, the accuracy with which orders are filled, the availability of informed personnel to respond to customer requests for information and for assistance, the reliability of the order process and the condition of shipments when they are received by customers. Where there is a high level of variability or where there is a substantial deviation from acceptable levels, practices should be remedied immediately.

The performance of various order processing functions such as order fill, delivery capability, customer service, phone access and technical assistance are all rated in the National Printers' Perceptions Study. The importance of delivery, as has been stressed previously, is paramount to the succesful working relationship between the merchant and the printer. This is obvious, but nevertheless can be forgotten in the rush of details that typically surround the typical transaction. In addition, the obvious importance of an effective customer service capability to take in orders and to be responsive to questions and expediting requests of customers is an essential ingredient in a time-sensitive business such as that of a paper merchant. The performance of merchants in the eyes of the commercial, in-plant and quick printers in these areas is quite good, as can be seen in Figure 7.

Following Up on the Order

The order is technically completed when it is delivered and the customer has paid the bill. Somewhere in the transition between processing the order and following up are the very final steps of invoicing the customer and collecting the charges associated with the order. A consistently applied billing and order completing procedure is necessary for any business to survive in today's competitive environment.

As a first step in evaluating your capabilities in this area, you should examine the level of accounts receivable that you have and also the number of customers who are taking discounts in spite of the fact that they do not comply with the procedure. Should these be at unacceptable levels, look at the reasonableness of your terms and re-examine the credit-worthiness of your accounts. Make changes where appropriate. Listed below are several other aspects of the follow-up dimension:

Backorder Information: The costs of a backorder are enormous, considering the delays imposed on the printer and the impact of the extra time involved in dealing with the customer. Also, the internal effort that is needed in order to trace down the missing item can be substantial. Attention must be given to fine-tuning your backorder status reporting and tracking procedures and in reducing the overall backorder position. And not to be neglected are the costs associated with lost or diminished business.

Post-Sale Follow-Up and Assistance: Frequently the customer receives the order and then discovers that assistance is needed. Being responsive to these needs may provide you with substantial additional business. At the very least, your responsiveness will communicate to customers your concern for their satisfaction with your service.

Post-sale follow-up is one of the most important selling points that a salesperson can offer. Yet all too often, in the haste to get orders, salespeople forget about the customer who has recently received merchandise. Such oversights must be corrected. Periodic follow-up calls or an occasional visit by you and other managers to discuss general service levels with your accounts (large and small) is essential to maintain customer relations.

Criteria: As with the previous dimensions of customer service, the criteria in this area are reasonably straightforward and hardly unique. The most important concern that the customers have is for the availability and ease of access to your company, your inventory and your sales and service personnel. The availability issue must be evaluated regularly by you.

National Printer Perceptions Results

As stressed above, the importance of follow-up is an essential ingredient in completing the loop with the customer. Follow-up in terms of responsiveness to customer requests for information and service, the responsiveness of the merchant in terms of ability to process returns and credits—these are all dimensions of the follow-up capability. In addition, the continuing relationship between the customer and field sales is a key link in ensuring that there is a continuity in the relationship. As shown in Figure 7, the ratings given paper merchants by the three types of printers demonstrate the relative levels of performance rating. As can be seen, there are differences between merchants and between various types of printers. It is important to review these areas and to ponder ways by which a follow-up capability can be fine-tuned to not only be responsive to customer needs, but also to use this capability as an element to be promoted in the overall marketing program.

The Perceptions Performance Index

As a result of the information gathered from the three types of printers, it is possible to look at the relationship between the importance assigned to various performance and the overall rating that paper merchants receive in each performance area. The relationship between the importance of a particular performance characteristic and the overall rating of a merchant's performance can be shown in graphic form. This interrelationship of importance and performance is shown in figure 8, "Service Mix for Target Markets." Importance ranges from "not important" to "very important," and

performance can run from "poor" to "excellent." The interrealtionship results in a matrix in which four major cells or categories exist. In the upper right hand corner of this figure is the cell which bounds those performance areas which are both very important and in which the merchant performs very well. This area

Figure 8

is the one which distinguishes an individual merchant in terms of performance capabilities, and in many ways is the core of the differential advantage that a particular merchant enjoys. In the case of the National Perceptions Study, those items that rated high both in terms of importance and performance are to be found in this area. The second cell is one in which performance is less than good, and yet the importance of that particular performance area is high. Items that fall into this cell of the matrix are areas that reequire attention by the merchant, if the firm is to achieve a stronger position with the target printer audience.

The third cell is one in which performance is poor and importance is low. In this area, although improvements could be made, it would require considerable effort, both in terms of improvement in merchant performance as well as education of the customer in order to demonstrate that the particular area was more important than perceived. The combined effort of improving performance and improving the overall perception of importance may well be possible, but it should be of low priority compared to others in the performance matrix. Thus, effort on items in this area should be minimized and redirected to others—such as those falling in the second matrix cell.

The fourth cell of the matrix contains those items where the merchant performance is excellent, but which are not perceived as important by printers. These items are, perhaps, where the merchant

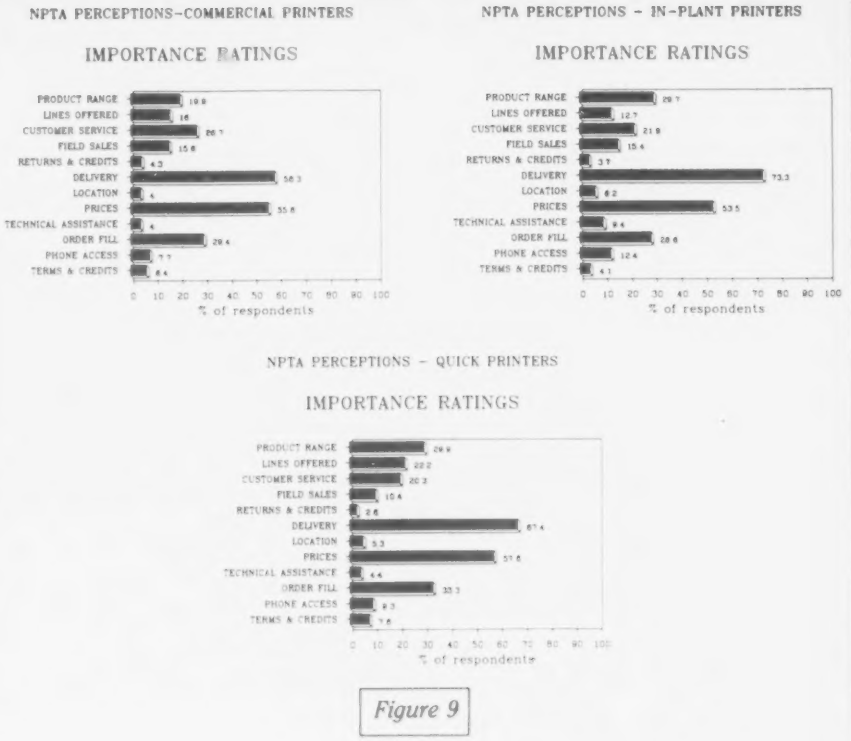

Figure 9

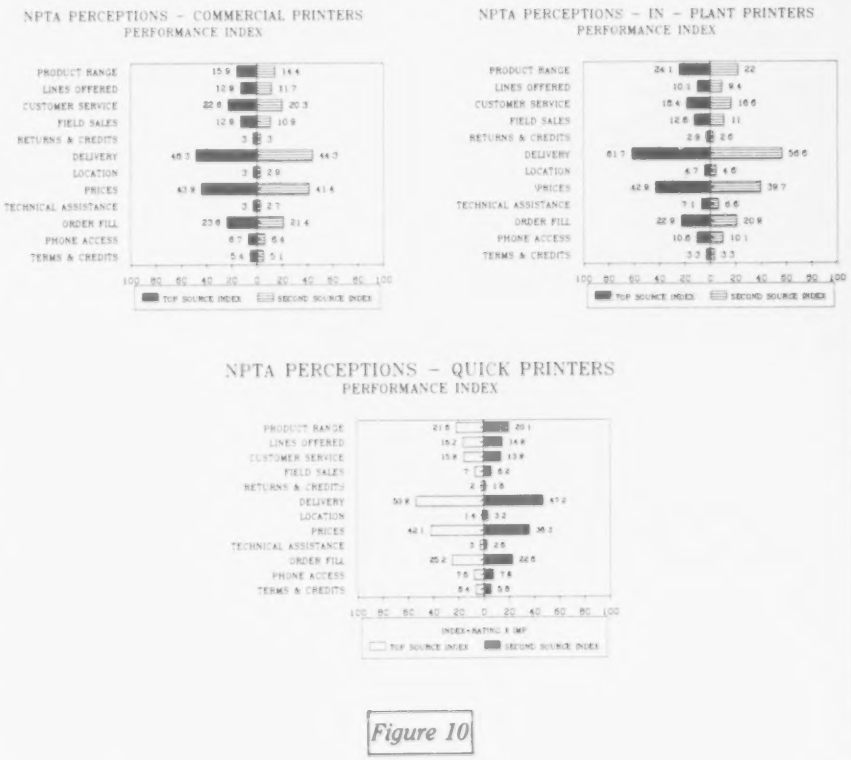

Figure 10

is overinvesting effort, which again might be better redirected toward other items such as those found in either cells 1 or 2. Thus, through analysis of both importance and performance ratings, one can deduce those areas where efforts should be redirected.

The importance accorded to various performance characteristics varies by type of printer, as shown in Figure 9. The differences in importance in items reflect the different needs and expectations that various types of printers have.

The combined influence of performance rating and performance score then maps out an index which has been developed as a result of preliminary analysis of the Nation Perceptions results. This index, the Perceptions Performance Index, shows the interrelationship between importance and performance rating scores and is constructed on a scale of 100 points. The higher the index, the more important the area and the greater the expected performance level of a particular merchant in that area. Figure 10 shows these relationships. Note the dominance of delivery, price, order fill and product items.

People Make the Difference

It is performance—not promises—that counts. And who decides whether the service was excellent, acceptable or poor? Not the one who gives the service, but the one who receives it. The final judge is the customer, who over time, compares one paper merchant with another, based more on service factors than merely on the products offered. So simple, yet so subtle—the key is service!

A service orientation is essential to the survival and health of all kinds of businesses. But rather than emphasize the obvious, we need to address how to meet service obligations to customers, suppliers and personnel.

To do this, people within your organization must commit themselves to deliver the highest and most consistent level of service they can: performance—not just promises; pride—not just plodding; persistence—not pacifism. The commitment cannot be made without the people. If your people don't acknowledge the importance of the service orientation, if they don't agree to "sign on," the promise will be unfulfilled and it will be business as usual.

Can the McDonald's slogan, "We do it all for you," become part of a mindset, an attitude, an overall commitment? In order for this to happen, the individuals within an organization must be on board with the service orientation; they must be willing to work as a team both within the company and in partnership with customers and suppliers. Otherwise, the service orientation will be nothing more than empty words in a corporate document tacked on some bulletin board.

Obviously, every business has a different approach to customer service. The key point is that how you are perceived by your customers determines your future profitability, growth and competitive position.

The point of this article is that your industry is at a major turning point in its development. In several earlier *Management News* articles, we have considered the future as it impacts you, your organizations, and the industry as a whole. From my perspective, the future of the industry rests on how creatively and productively you respond to the service expectations of customers. This is the single most important challenge to be met. You must find ways to assure your customers, and ensure for yourselves, that you have the desire and ability to do it their way! These are truly service encounters of the right kind.

Conclusions

This first nationwide study of printers' perceptions provides some baseline information upon which a variety of assessments can be made by individual merchants and their printer customers. Clearly, the importance of order fill, delivery and pricing are standout areas which distinguish strong from weak merchants. By the same token, other dimensions of the service equation might be overlooked. The issues addressed previously in this article provide an overview of those areas where attention is needed and where a stronger relationship between the merchant and the printer is sought. Fundamentally, all the dimensions and issues considered here relate to the marketing and operations skill of the merchant. Without question, it is important to have both adequate communications and materials handling capability, as well as human resources to make the equation complete. At the core of any effective working relationship are the commitments made by individuals on both sides of the equation to operate in an open, trusting and cooperative mode. All of the systems in the world will not make personal relationships effective unless individuals are committed to working together and to resolving differences in both perception and performance as they occur. It is important, as a result of this study, to remember that all aspects of a merchant's activities ultimately are perceived by the customer as an indicator of the capabilities and commitment of the merchant to render high-quality customer service.

We are both fortunate and challenged to be living in these most interesting of times. We all are given the opportunity to decide how much effort and creative energy we'll invest in shaping our future. Those who say, "Why bother?" are making a conscious choice to let circumstance and others dictate what happens to them. Those who strike out and believe that they do make a difference will be amply rewarded. In this article, we have highlighted the results of NPTA's *National Printers' Perceptions Study*. It is easy to pass off the findings and recommendations as something that other merchants should be doing. The importance of these findings however are directly applicable to every merchant. The findings are far more than just an overall picture. They reflect the perceptions and concerns of printers in your marketplace and thus deserve your attention.

A PERCEPTIONS Study, focused on your customers and your marketplace, can bring performance expectations and your ratings into sharp focus. Every paper merchant has a different approach to customer service. The key thing that should be remembered is that your customer service approach and how you are perceived by your customers determines the profitability, growth and competitive position you will enjoy in the future.

Customer service is something that must be worked on constantly and evaluated regularly. As a start, ask yourself, "Is *my company* the kind of company with which I, as a customer, would want to do business?"

Those who bother, are committed to a better future. They instinctively put themselves in the other person's shoes and strive to build relationships that endure through thick and thin. Those who care, demand excellence of themselves and those they associate with. They measure success by the satisfaction they bring others and by the productive use of resources. They are not supermen or women, but they do understand that the foundation of a successful relationship is based on trust, shared perceptions, and a commitment to work together to make it happen. So I ask you, "Why bother?" If you don't, who will?